

5. DISCUSS INCENTIVES FOR PROPERTY OWNERS TO RESTORE / REHABILITATE HISTORIC BUILDINGS IN COLLINS AND WASHINGTON AVENUES BETWEEN 5TH STREET AND LINCOLN ROAD

Applicable Area:

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Land Use and Sustainability Committee Members

FROM: Eric Carpenter, City Manager

DATE: March 11, 2025

TITLE: DISCUSS INCENTIVES FOR PROPERTY OWNERS TO RESTORE / REHABILITATE HISTORIC BUILDINGS IN COLLINS AND WASHINGTON AVENUES BETWEEN 5TH STREET AND LINCOLN ROAD

RECOMMENDATION

The Administration recommends that the Land Use and Sustainability Committee (LUSC) endorse the recommendations identified in the summary herein, and send the item back to the City Commission for policy direction.

BACKGROUND/HISTORY

On October 30, 2024, at the request of Commissioner Bhatt and Co-sponsored by Commissioner Rosen Gonzalez, the Mayor and City Commission (City Commission) referred a discussion item (C4 I) to the LUSC, regarding incentives for property owners to restore/rehabilitate historic buildings in Collins and Washington Avenue between 5th Street and Lincoln Road (the historic Boundaries).

The sponsors of the referral would like the LUSC to consider exploring and developing potential incentives for multi-family property owners on Collins Avenue and Washington Avenue, between 5th Street and Lincoln Road, to rehabilitate their properties without compromising the existing scale, architectural character, and affordability of the neighborhood.

ANALYSIS

As noted in the attached referral memo, the item sponsor has requested the following be considered:

1. An expedited process to property owners for renovations and improvements through the Building Department, as well as any necessary approvals from the Historic Preservation Board (HPB) or Design Review Board (DRB), as applicable;
2. Assign a dedicated liaison for property owners to navigate both the permitting process and the HPB and DRB approval process to provide guidance and make binding decisions;
3. Consider reducing or waiving fees related to renovations that align with the goals of maintaining affordability, improving safety, and preserving the neighborhood character;
4. Assist property owners in identifying, applying for, and utilizing state or federal grants that support affordable housing improvements;
5. Help property owners obtain life safety variances that allow them to preserve the defining characteristics of their buildings, without sacrificing safety;

6. Offer financial support to help defray the costs of critical renovations, particularly for those willing to commit to maintaining affordable rental rates and voluntarily prohibiting short-term rentals (STR's);

The following is a summary of current procedures and ongoing initiatives that are germane to this item:

Permitting Initiatives

On February 21, 2024, the City Commission established the Ad Hoc Permitting Process Improvement Advisory Committee (Permitting Committee) for a period of one year; the Permitting Committee concluded in January 2025. The purpose of the Permitting Committee was to comprehensively assess and evaluate the City's permitting process and identify recommendations for streamlining the process and improving the customer service experience with the public. The Permitting Committee's recommendations are being implemented and are currently improving and expediting the permit review process for all applicants.

All six permitting departments are fully engaged in an ongoing service improvement initiative to enhance the customer experience. This includes training for all staff, service standards for each key role, process improvement, revisiting internal policies, and enhancing communication and access for all customers.

Similar to other historic property initiatives being requested in different locations, the Building Department could provide the following for rehabilitation projects located within the historic Boundaries:

1. A single point of contact for property owners.
2. An expedited building permit review process.
3. Assisting property owners who request accessibility waivers from the State of Florida for eligible projects (the Florida Building Code and the Fire Prevention Code do not provide for life safety variances or waivers).

Certificate of Appropriateness Procedures

The renovation of multi-family buildings, including window and door replacement, air-conditioning replacement, interior modifications, roof repair, and other general repairs, are most often reviewed and approved by the Planning Department as part of the regular building permit review process. These types of improvements, in most instances, do not require the review and approval of the Historic Preservation Board.

In the event the scope of work exceeds administrative review thresholds, the Historic Preservation & Architecture Officer serves as a single point of contact for applicants. While a fast-track application process is possible, it would likely require a reduced timeframe for the current thirty (30) day public notice. Any modification to the public notice requirements would require an amendment to the Land Development Regulations of the City Code (LDR's).

Fee Reductions

Florida Statute 553.80 restricts the City's ability to reduce or waive building permit fees. Certain city fees that are currently charged for projects, including Historic Preservation Board application fees, mobility fees, and permit training and technology fees, may be waived. However, these fees typically apply to development projects consisting of new construction and larger additions and are typically not applicable to smaller renovation projects.

Ad Hoc Historic Preservation Ordinance Review Committee Discussion

On September 18, 2024, the Ad Hoc Historic Preservation Ordinance Review Committee (Preservation Committee) discussed similar incentives in separate referral memos to LUSC regarding Historic Residential Apartment Buildings in North Beach (referral C4 S) and Historic Residential Apartments Buildings in the Flamingo Park Neighborhood referral C4 Q).

For those building types there was consensus that the incentives identified would likely not be sufficient to encourage property owners to undertake any type of substantial building renovation.

The Preservation Committee members recommended that in conjunction with other smaller financial incentives, such as a reduction in permitting fees, the City explore larger financial incentives including an expansion the City's Historic Ad Valorem Tax Exemption program and creating a transfer of development rights (TDR's) process. Several Preservation Committee members also expressed concern that major construction could result in the need to vacate tenants and substantially increased rental rates.

SUMMARY

As it pertains to the policy initiatives identified herein, the Administration recommends the following:

1. Endorse a TDR program for the historic Boundary. This would require a separate referral to the LUSC.
2. The City Commission refer a separate discussion to the LUSC regarding an expansion of the City's Historic Ad Valorem Tax Exemption program to include multi-family buildings within the historic Boundary.
3. The City Commission direct the Administration to develop a single point of contact for property owners submitting permit applications for historic buildings within the historic Boundaries.
4. The City Commission direct the Administration to develop an expedited permit review process for property owners submitting permit applications within the historic Boundaries.

If there is consensus on these, and any other initiative that may be identified by the LUSC, the proposal can be sent to the full City Commission for policy direction.

FISCAL IMPACT STATEMENT

To be determined.

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on .

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

N/A

CONCLUSION

The Administration recommends that the LUSC endorse the recommendations identified in the summary herein, and send the item back to the City Commission for policy direction.

Applicable Area

South Beach

**Is this a “Residents Right to Know” item,
pursuant to City Code Section 2-17?**

No

**Is this item related to a G.O. Bond
Project?**

No

**Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481,
includes a principal engaged in lobbying?** No

If so, specify the name of lobbyist(s) and principal(s):

Department

Building

Sponsor(s)

Commissioner Tanya K. Bhatt

Co-sponsor(s)

Commissioner Kristen Rosen Gonzalez

Condensed Title

Discuss Incentives for Property Owners to Restore / Rehabilitate Historic Buildings in Collins and Washington Avenues between 5th Street and Lincoln Road



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Commissioner Tanya K. Bhatt
DATE: October 30, 2024
TITLE: REFERRAL TO THE LAND USE AND SUSTAINABILITY COMMITTEE - DISCUSS INCENTIVES FOR PROPERTY OWNERS TO RESTORE/REHABILITATE HISTORIC BUILDINGS IN COLLINS AND WASHINGTON AVE BETWEEN 5TH AND LINCOLN ROAD.

RECOMMENDATION

BACKGROUND/HISTORY

Please place on the October 30, 2024 agenda a referral to the Land Use and Sustainability Committee to discuss and develop a set of incentives for property owners on Collins Avenue and Washington Avenue, between 5th Street and Lincoln Road, to encourage the preservation and improvement of naturally occurring affordable housing.

Collins Avenue and Washington Avenue, between 5th Street and Lincoln Road, are home to a number of multi-use properties that include naturally occurring affordable housing. These properties play a critical role in maintaining housing for residents in the workforce and middle-income brackets, who are vital to the economic and social fabric of Miami Beach.

However, many of these buildings are aging and in need of significant upgrades to continue offering safe, appealing, and affordable housing. Owners of these properties often face financial challenges in maintaining and improving them, making it tempting for some to sell to commercial developers. These developers may seek to replace or drastically modify the buildings in ways that are inconsistent with the character of the neighborhood and the scale of its existing architecture.

In order to prevent overdevelopment that would erode the unique character of these corridors, while also helping property owners improve their buildings and retain affordability, it is essential to create a set of incentives for property owners who are committed to preserving affordable housing.

I would like the LUSC to explore and develop incentives for property owners on Collins Avenue and Washington Avenue, between 5th Street and Lincoln Road, to rehabilitate their properties without compromising the existing scale, architectural character, and affordability of the neighborhood. The goal is to support the improvement of these properties while ensuring that they remain accessible to middle-income renters and continue to contribute to the city's inventory of affordable housing.

To accomplish this, the Administration is requested to prepare recommendations for incentives, including but not limited to the following ideas:

Provide property owners with an expedited process for renovations and improvements through the Building Department, as well as any necessary approvals from the Historic Preservation Board (HPB) or Design Review Board (DRB), as applicable.

Assign a dedicated liaison for property owners to navigate both the permitting process and the HPB and DRB approval process, with the authority to provide guidance and make binding decisions.

Consider reducing or waiving fees related to renovations that align with the goals of maintaining affordability, improving safety, and preserving the neighborhood character.

Assist property owners in identifying, applying for, and utilizing state or federal grants that support affordable housing improvements.

Help property owners obtain life safety variances that allow them to preserve the defining characteristics of their buildings, without sacrificing safety.

Offer financial support to help defray the costs of critical renovations, particularly for those willing to commit to maintaining affordable rental rates and voluntarily prohibiting short-term rentals (STRs).

These measures are intended to help property owners modernize and upgrade their buildings, while preventing out-of-scale development that could displace residents and alter the character of these iconic streets.

The Administration is requested to prepare recommendations based on the concepts outlined above and present them to the Committee for discussion.

ANALYSIS

FISCAL IMPACT STATEMENT

N/A

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

CONCLUSION

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

Yes

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Office of Commissioner Tanya K. Bhatt

Sponsor(s)

Commissioner Tanya K. Bhat

Co-sponsor(s)

Commissioner Kristen Rosen Gonzalez

Condensed Title

Ref: LUSC - Restoration Incentives for Historic Buildings on Collins and Washington Ave.
(Bhatt/Rosen Gonzalez)